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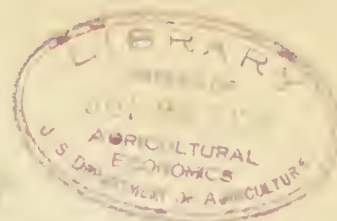
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THE LIVESTOCK SITUATION

Summary

Prices of hogs, slaughter cattle and lambs strengthened from mid-June to early July but weakened in the second week of July, according to the Bureau of Agricultural Economics. For cattle and hogs the advances followed fairly sharp declines from mid-April to mid-June.

Supplies of hogs for market in the 1939-40 marketing year, which begins October 1, will be materially larger than in the present marketing year. This is indicated by the 20-percent increase in the 1939 spring pig crop and the prospective increase in the 1939 fall pig crop. Inspected hog slaughter in 1939-40 probably will be 15 to 20 percent larger than in 1938-39.

NEW REPORT ON THE LIVESTOCK SITUATION

The monthly situation reports of the Bureau of Agricultural Economics on hogs, beef cattle, and sheep and lambs have been combined into one report - The Livestock Situation. This is the first issue. Persons on the mailing list for the Hog Situation, the Beef Cattle Situation and the Sheep and Lamb Situation will receive The Livestock Situation. All pertinent information on the outlook for hogs, cattle, sheep and lambs will be given in this publication. Attention will be given to each of the 3 species of livestock in each issue. But the outlook for each species will be given special emphasis in certain months of the year, when it is timely. The current issue features the Hog Outlook. Criticisms and suggestions concerning the new report will be appreciated and may be sent to the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

The increase in hog production this year brings the total number of pigs raised back to the level prevailing before production was so sharply curtailed by the effects of the 1934 drought. But the hog situation in 1939-40 will be different from that of the present year. Although feed supplies next year will be about as large as in the present year, livestock numbers at the beginning of 1940 will be considerably larger than a year earlier. The smaller supply of feed per animal along with the prospects for larger hog marketings probably will result in a hog-corn price ratio much less favorable for hog producers than it was from late 1937 to early 1939. This is expected to prevent a further marked expansion in the number of pigs raised.

After declining to the lowest level in nearly 5 years in mid-June, hog prices advanced in late June and early July. The average price of butcher hogs at Chicago for the week ended July 8 was \$7.10 compared with \$6.35 for the week ended June 17. This rise in prices was due chiefly to a moderate reduction in hog marketings and some improvement in the demand for fresh pork.

Prices of most kinds of slaughter cattle were steady to higher in late June and early July, after declining sharply from April through early June. Pasture conditions in most areas were greatly improved by rains in June. Range conditions showed little improvement during June, as sharp declines in Southwestern and inter-Mountain areas largely offset improvement in the Great Plains States. Except in some of the Western States, drought conditions reported during May have been relieved. Some further increase in marketings of grain-fed cattle is expected

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LS-1

- 3 -

during the next 2 months. For the remainder of 1939 supplies of grain-fed cattle are likely to be somewhat larger than last year, but marketings of cows and heifers probably will continue smaller than a year earlier, although they are expected to increase seasonally in the late summer and early fall.

Prices of lambs rose moderately in late June after some weakness during the first half of the month. The average price of good and choice spring lambs at Chicago for the week ended July 8 was about \$10.20 compared with about \$9.75 for the week ended June 10 and \$10.25 for the last week of May. As a result of smaller slaughter supplies and a stronger consumer demand for meats, prices of lambs thus far in the new crop season, which began May 1, have been from \$1 to \$2 higher than a year earlier. Slaughter supplies of new crop lambs during the remainder of the grass lamb marketing season, up to December 1, probably will be no larger and may be smaller than those of a year earlier.

HOGS

Review of Recent Developments

Hog prices advance in late June and early July

Prices of hogs rose fairly sharply in late June and early July, after declining to the lowest level in nearly 5 years in mid-June. Some weakness in hog prices developed during the second week of July. The average price of hogs at Chicago for the week ended July 8 was \$7.10 compared with \$6.35 for the week ended June 17. For the week ended July 8, 1938 the average price of butcher hogs at Chicago was about \$9.25. The rise in prices in late June and early July was due at least in part to a seasonal decrease in marketings.

Hog slaughter reduced in June

Inspected hog slaughter in June totaled 3,185,000 head, which was 7 percent less than in May, but about 25 percent greater than in June last

year. Most of the decrease in slaughter in June from that of a month earlier occurred in the last half of the month. The proportion of packing sows in the total receipts at the leading markets increased fairly sharply in June as it usually does during that month.

In the first 9 months of the present marketing year, which began October 1, 1938, inspected hog slaughter amounted to about 31.3 million head, about 4.1 million head more than the slaughter in the corresponding period of 1937-38. Slaughter in the first three quarters of the 1938-39 marketing year was the largest for any similar period since 1933-34.

Storage stocks of lard reduced in June - lard stocks increase

Storage holdings of pork decreased seasonally during June. On July 1 they were about 5 percent smaller than on June 1, but about 19 percent larger than a year earlier. Stocks of lard increased seasonally during June, and on July 1 they were about 17 percent larger than on the corresponding date of 1938. Although stocks of lard on July 1 were larger than a year earlier, they were not greatly different from the 5-year 1933-37 July 1 average. Stocks of pork on July 1 were substantially smaller than the 1933-37 average.

Storage holdings of pork and lard on the first of the month, specified months, average 1933-37, 1937-38 and 1938-39

| Month | 5-year average | | 1937-38 | | 1938-39 | |
|-------|----------------|---------|---------|---------|--------------|--------------|
| | 1933-37 | | | | | |
| | Pork | Lard | Pork | Lard | Pork | Lard |
| | Million | Million | Million | Million | Million | Million |
| | pounds | pounds | pounds | pounds | pounds | pounds |
| Oct. | 415 | 108 | 283 | 73 | 277 | 90 |
| Mar. | 647 | 125 | 583 | 117 | 542 | 125 |
| June | 584 | 135 | 451 | 124 | 520 | 139 |
| July | 570 | 152 | 418 | 126 | <u>1/496</u> | <u>1/148</u> |

1/ Preliminary.

Pork and lard exports increase in May

Pork exports in May totaled about 11.7 million pounds in May and were the largest for any month since November 1934. In the first 8 months (Oct.-May) of the current marketing year total pork exports from the United States amounted to about 73.7 million pounds and were the largest since 1934-35. But they were much smaller than in all of the post-war years prior to 1932-33. Imports of pork in May, amounting to about 4.8 million pounds, were smaller than in April, but they were slightly larger than in May last year.

Exports of lard in May, totaling about 25.3 million pounds were 8 million pounds larger than in April and 5 million pounds larger than in May 1938. In the first 8 months of the 1938-39 marketing year lard exports were 174 million pounds, which was 26 million pounds larger than in 1937-38 and was the largest for the period since 1933-34. Despite the increase in lard exports this year, they continue to be much smaller than in the years prior to 1934-35.

Some further expansion in pork and lard exports may occur during the coming year, as domestic hog production increases. The increase probably will be greater for lard than for pork. A large part of our exports of pork are consigned to Great Britain, where the quantity imported is limited by quotas. As the United States share of the British quota is already being filled, little further increase in pork shipments to that country seems probable. The recovery in lard exports is not expected to bring exports to as high a level as prevailed in the years before 1934.

HOG OUTLOOK

1939 spring pig crop 20 percent larger than that of 1938

According to the June 1 pig crop report, the 1939 spring pig crop is estimated to be about 52.3 million head, or nearly 8.9 million head larger than the spring crop of 1938. The spring crop this year is the largest since 1933 and it is slightly larger than the 1929-33 (pre-drought) average. Increases over a year earlier were reported in all regions and in nearly all States. The largest percentage increase - 29 percent - was in the Western States, followed by a 25 percent increase in the West North Central States, 22 percent in the South Central States, and 14 percent in the East North Central States.

Estimates of spring pig crop for 1939 and earlier years for the United States and important regions are given in the accompanying table. It will be noted that the spring crop this year in the States outside the Corn Belt is much larger than the 1929-33 average. In the Eastern Corn Belt, (East North Central States) the 1939 spring crop also is larger than the 1929-33 average, but in the Western Corn Belt (West North Central States) it is about 16 percent smaller than average.

Spring pig crop in the United States, 1929-33 average, 1934-39

| Year | North Central States | | | Other States | United States |
|----------------------|----------------------|-----------|-----------|--------------|---------------|
| | East | West | Total | | |
| | Thousands | Thousands | Thousands | Thousands | Thousands |
| Average, | | | | | |
| 1929-33,..... | 11,917 | 29,485 | 41,402 | 10,255 | 51,657 |
| 1934,..... | 10,202 | 20,206 | 30,408 | 9,290 | 39,698 |
| 1935,..... | 8,880 | 14,597 | 23,477 | 8,961 | 32,438 |
| 1936,..... | 10,497 | 19,899 | 30,396 | 10,838 | 41,234 |
| 1937,..... | 10,621 | 16,869 | 27,490 | 10,986 | 38,476 |
| 1938 <u>1/</u> | 11,732 | 19,718 | 31,450 | 12,000 | 43,450 |
| 1939 <u>2/</u> | 13,399 | 24,696 | 38,095 | 14,219 | 52,314 |

1/ Revised.

2/ Preliminary.

The number of sows that farrowed in the spring season of 1939 was 25 percent greater than in 1938. For the Western Corn Belt the increase was 32 percent, and for the Eastern Corn Belt, 21 percent. These increases are somewhat larger than those indicated in the December 1938 pig crop report, which were based on breeding intentions reported by farmers about December 1. The average number of pigs saved per litter this year was smaller than the record number in the spring of 1938, but it was the third highest in the 16 years of record.

Increase in 1939 fall pig crop expected

The number of sows to farrow in the fall season of 1939 is indicated to be about 16 percent more than the number farrowed last fall. This indication is based upon breeding intentions reported about June 1 and upon the assumption that the relationship between reported intentions and subsequent farrowings this year will be similar to that in other years of abundant feed supplies.

Sows farrowed in the fall season, 1929-33 average, 1934-39.

| Year | North Central States | | | Other States | United States |
|--------------|----------------------|-----------|-----------|--------------|---------------|
| | East | West | Total | | |
| | Thousands | Thousands | Thousands | Thousands | Thousands |
| Average, | | | | | |
| 1929-33..... | 1,302 | 1,949 | 3,251 | 1,453 | 4,704 |
| 1934..... | 835 | 853 | 1,688 | 1,248 | 2,936 |
| 1935..... | 1,020 | 1,348 | 2,368 | 1,390 | 3,758 |
| 1936..... | 1,178 | 1,062 | 2,240 | 1,617 | 3,857 |
| 1937..... | 1,098 | 1,092 | 2,190 | 1,565 | 3,755 |
| 1938 1/..... | 1,266 | 1,274 | 2,540 | 1,832 | 4,372 |
| 1939 2/..... | 1,500 | 1,503 | 3,003 | 2,089 | 5,092 |

1/ Revised.

2/ Preliminary.

If the number of sows farrowed this fall is about as indicated and if the average number of pigs saved per litter in the fall is about equal to the 1928-37 average, the combined spring and fall pig crops in 1939 will total about 83 million head. This number would be about 17 percent larger than the total 1938 crop and it would be the third largest since 1923. It also would be about 4 percent larger than the 1929-33 (pre-drought) average.

Larger hog marketings probable for 1939-40.

The increase in 1939 spring pig crop and the prospective increase in the 1939 fall crop indicate that market supplies of hogs in the 1939-40 marketing year, beginning October 1, will be materially larger than in the present marketing year, which ends September 30. Spring pigs are marketed chiefly during the period from October through April, and with the large increase in the 1939 spring crop, the supply of hogs marketed from October through April 1939-40 will be considerably greater than a year earlier. The relation of changes in the spring pig crop and

changes in October - April hog slaughter over a long period of years is shown in figure 2 at the end of this release.

If the total pig crop for 1939 is about 83 million head, it seems probable that inspected hog slaughter in the 1939-40 marketing year will total around 47 million head. In 1931 and 1932 the total pig crops were not greatly different from that indicated for 1938; in both 1931-32 and 1932-33 inspected hog slaughter was about 47 million head. The geographic distribution of hogs in 1939, however, is considerably different from that in 1931 and 1932 and this might result in a somewhat different proportion of the total pig crop entering inspected slaughter.

An inspected slaughter of 47 million head in 1939-40 would be the largest slaughter since 1932-33 and it would be about 7 million head larger than the slaughter of the present year and 16 million head larger than the low level of 1934-35.

Hog marketings to continue larger than a year earlier
during the remainder of 1938-39

Supplies of hogs for slaughter during the remainder of the current marketing year, up to October 1, probably will continue larger than a year earlier, as indicated in May and June issues of the Hog Situation. The number of hogs on farms over 6 months of age on June 1 this year was estimated to be about 21 percent larger than a year earlier for the country as a whole and 24 percent larger for the Corn Belt. Hogs over 6 months of age on June 1 largely represent those that will be marketed before October 1 and sows bred for fall farrow. Even after allowance for the prospective increase in sows to farrow this fall, the number of other hogs over 6 months old on June 1 was much larger than a year earlier.

The monthly rate of hog marketings from July through September, however, is expected to be smaller than in May and June, as is usually the case. The extent of increase over a year earlier during the July-September period will depend partly upon the proportion of the 1939 spring pig crop which is marketed before October 1. Last summer, the market movement of spring pigs got underway early and the proportion marketed before the end of September was larger than usual. Marketings of spring pigs also may start rather early this summer, although relatively heavy losses of early farrowed pigs were reported. In view of the substantial increase in the 1939 spring pig crop, a large seasonal increase in marketings probably will occur in the late summer and fall months.

Consumer demand

Consumer demand for hog products this far in 1939 has been somewhat better than in the corresponding period last year. Retail prices of hog products have averaged slightly lower, but the quantity of federally inspected hog products moved into consumption channels has been about 13 percent greater and the aggregate expenditures of consumers for hog products has been somewhat more this year than last. The improved demand reflects the higher level of industrial activity and incomes of consumers this year than last.

Prospects for business activity and incomes of consumers indicate that the demand for hog products in the second half of 1939 will be a little stronger than in the first half of this year. Consumer demand for hog products in the last half of this year also may be somewhat better than in the last half of 1938.

1940 production prospects

The increase in hog production this year brings the total number of pigs raised in the whole country back to the level prevailing in the 5 years, 1929-33, before production was so sharply curtailed by the drought of 1934. But in the most important hog producing region, the western Corn Belt, the number of pigs raised this year will be somewhat below this average. Should production in this region recover to pre-drought levels, with no change in other regions, the total pig crop in 1940 would exceed the 1929-33 average by about 11 percent.

Because of the predominating importance of hogs as a source of cash income in the western Corn Belt, some further increase in the number of pigs raised may occur in this area in 1940. But in other areas further increases probably will be small, with decreases not unlikely in some areas.

For the country as a whole the hog situation in 1939-40 may be somewhat different from that of 1938-39. Although feed supplies next year will be plentiful, they may not be so large in relation to livestock numbers as in the present year. The production of oats, barley, and hay is smaller this year than last, but corn production may be slightly larger, and a record carry-over of old corn is in prospect. On the other hand, the number of hogs and other grain-consuming animals on farms on January 1, 1940 will be considerably larger than a year earlier.

With the supply of feed per animal in 1939-40 expected to be smaller than in 1938-39, and with the possibility of a corn loan in 1939-40 at as high a rate as in the present year, the ratio of hog prices to corn prices will be less favorable for hog producers than in the first half of the present marketing year. This change in the relation of hog prices to corn prices probably will prevent a further marked expansion in hog production.

The Lard Situation

In the January, 1939 issue of the Hog Situation, it was indicated that the effects of the recovery in hog production to pre-drought levels upon lard would be much more serious than upon pork. Although the total production of pork in 1940 will be much larger than in other recent years, the per capita supply of pork probably will not be much different from the average per capita consumption of pork in the decade before the 1934 drought. But the per capita production of lard in 1940 probably will be much larger than the per capita consumption of lard in the pre-drought years.

In earlier years, when lard production has been as large as it probably will be in 1940, a substantial part - 25 to 30 percent - of our lard output has been exported. In the 5 years before 1934, lard exports averaged about 640 million per year. In this period, however, from 150 to 200 million pounds of lard were exported to Germany. In 1938 about 235 million pounds of lard were exported, with only a negligible quantity going to Germany. Because there is little prospect of increasing exports to Germany to any great extent, total exports of lard in 1940 as large as 600 million pounds appear very unlikely.

As a result of the increase in lard production in 1938 and thus far in 1939, along with the prospects for a further increase next year, lard prices have declined greatly since early 1938. In June the price of lard was at the lowest level in 5 years. As indicated in figure 1 at the end of this release, the price of lard has declined much more in the past year than has the price of hogs. In the 10-year period 1928-37, the annual average price of refined lard at Chicago exceeded the average price of hogs at that market by at least \$2 per 100 pounds every year, with the average spread for the period being about \$3. In 1938 the average price of lard at Chicago was only about \$1.10 higher than the price of hogs, and in the first 6 months of 1939 it averaged only 35 cents per 100 pounds higher.

BEEF CATTLE

Cattle prices advance in late June and early July

Prices of most grades of slaughter cattle declined from April through early June, with the sharpest declines occurring in prices of the better grades. This decline was partly seasonal, however, and in late June and early July a slight upturn in prices of such cattle occurred. Prices of most kinds of cattle weakened during the week ended July 15.

The average price of good grade steers at Chicago for the week ended July 8 was \$9.40 per 100 pounds, slightly higher than a month earlier, but about \$1.10 lower than in early April and somewhat lower than a year earlier. The average price of all grades of slaughter steers at Chicago went below a year earlier during the week ended June 10 for the first time since December 1938. Prices of stocker and feeder steers declined fairly sharply beginning in late May, but in early July were still about 40 cents higher than a year earlier.

Prices of slaughter cows declined moderately in early June, but since then have remained relatively stable. The average price of good grade cows at Chicago for the week ended July 8 was \$7.12, 10 cents lower than a month earlier and a year earlier. Ordinarily, prices of slaughter cows decline during the summer and early fall months as marketings increase seasonally, while prices of the better grades of steers and heifers frequently advance in that period.

Cattle slaughter smaller than a year ago

The number of cattle slaughtered under Federal inspection in June totaled 778,000 head, 4 percent less than in May, and 5 percent less than in June 1938. For the first 6 months of 1939, inspected cattle slaughter was 5 percent smaller than in the corresponding period of 1938, with both steer, and cow and heifer slaughter reduced. The average live weight of cattle slaughtered, however, was about 2 percent greater than a year earlier, reflecting improved finish resulting from more liberal grain feeding.

Pasture condition improved by June rains

With more than normal rainfall, the condition of farm pastures made an unusual improvement during June. Excellent pastures were reported July 1 practically everywhere between the Appalachian Mountains and the Great Plains States, and in Montana and northern Wyoming. Extremely poor pastures and ranges, however, were reported in southwestern Kansas, south central Texas, and northern New Mexico. In Colorado, Arizona, and New Mexico where rainfall has been below normal for 3 months or more, pasture and range feed in early July also was short. And in California pastures were reported in poor condition, with little prospect for improvement until fall.

Cattle imports reduced sharply in May

Imports of cattle from all countries in May, totaling 63,000 head, were about 50 percent smaller than in April, although still somewhat larger than in May 1938. Most of the reduction from April to May occurred in imports from Mexico, with sharp reductions occurring in imports of all classes of cattle from that country. Total cattle imports from Mexico in May amounted to about 27,000 head compared with 85,000 head in April, and 42,000 head in May 1938.

For the first 5 months of 1939, cattle imports from all countries totaled 464,000 head, more than twice the number imported in the corresponding period a year earlier, and the largest for the period on record. Of the total, 333,000 head originated in Mexico, of which 80 percent were non-quota cattle weighing 200-699 pounds, the duty for which is 2.5 cents per pound. Relatively high prices of stocker and feeder cattle in this country, drought in northern Mexico, and unsettled economic conditions in that country were largely responsible for the record shipments of Mexican cattle to this country.

Cattle imports from Canada, Mexico, and all countries, by weight groups,
January-May, 1936-39

| | Canada | | | | Mexico | | | | All countries | | | |
|---------|--------------|--------|--------|--------------|-------------|--------|--------------|--------|---------------|--------------|--------|--------|
| | Less : 200- | : 700 | | | Less : 200- | : 700 | | | Less : 200- | : 700 | | |
| | : than : 699 | : lb. | : All | : than : 699 | : lb. | : All | : than : 699 | : lb. | : All | : than : 699 | : lb. | : All |
| Period: | 200 | : lb. | : and | : cat- | 200 | : lb. | : and | : cat- | 200 | : lb. | : and | : cat- |
| | : lb. | : 2/ | : over | : tle | : lb. | : 2/ | : over | : tle | : lb. | : 2/ | : over | : tle |
| | : 1/ | : 3/ | | | : 1/ | : 3/ | | | : 1/ | : 3/ | | |
| | : Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. | Thous. |
| Jan.- | | | | | | | | | | | | |
| May | | | | | | | | | | | | |
| 1936 | : 20 | 8 | 90 | 123 | 1 | 94 | 19 | 114 | 20 | 103 | 109 | 238 |
| 1937 | : 43 | 4 | 74 | 126 | 1 | 122 | 23 | 145 | 43 | 126 | 96 | 272 |
| 1938 | : 23 | 2 | 21 | 51 | 2 | 152 | 25 | 178 | 24 | 154 | 46 | 229 |
| 1939 | : 36 | 2 | 36 | 131 | 27 | 269 | 37 | 333 | 64 | 271 | 123 | 464 |

Compiled from reports of the United States Department of Commerce.

1/ Less than 175 pounds prior to 1939.

2/ 175-699 pounds prior to 1939.

3/ Excluding cattle imported for dairy purposes.

Little change in outlook for beef cattle

Except for the improvement in pasture and range conditions in many parts of the country, little change has occurred in the factors affecting the outlook for beef cattle since the issuance of the Beef Cattle Situation in June. Some further increase in marketings of grain-fed cattle is expected during the next 2 months, while marketings of other grades of slaughter cattle probably will increase seasonally through October.

Although supplies of grain-fed cattle are likely to be somewhat larger than those of last year during the remainder of 1939, marketings of cows and heifers and lower-grade steers probably will continue smaller than a year earlier. With the breaking of the spring drought in most of the Great Plains Area, the tendency for producers to withhold breeding stock for increasing herds is likely to continue during the next several months.

Total beef production during the remainder of 1939 may not be greatly different from that in the corresponding period of 1938. But the demand for meats probably will continue somewhat stronger than a year ago.

SHEEP AND LAMBS

Prices of lambs rose moderately in late June and early July after some weakness in the first half of June. But in the second week of July prices of lambs again declined. The average price of good and choice spring lambs at Chicago for the week ended July 8 was about \$10.20. For the week ended June 10 it was \$9.75 and for the last week of May \$10.25. As a result of smaller slaughter supplies and the stronger consumer demand for meats, prices of lambs

thus far in the new crop season, which began May 1, have averaged from \$1 to \$2 higher than a year earlier.

Inspected slaughter of sheep and lambs in June totaled 1,401,000 head, slightly larger than in May, but about 6 percent smaller than in June last year. The market movement of lambs from the Southeastern States got underway in volume during June, and marketings of Idaho lambs were fairly large. Supplies of yearlings from Texas increased seasonally during the month and a considerable number of California lambs were marketed from feed lots.

Range conditions were improved by rains in June in much of the Great Plains area and the North Pacific States. But conditions declined over most of the area from Colorado and New Mexico westward. Drought conditions continued in the main sheep area of Texas. The Texas lamb crop is reported to be smaller than last year. In most other western areas the condition of the late lamb crop is good. Lambs have not made good gains in the dry areas, where range feed is poor. The proportion of lambs marketed in feeder flesh this fall will be larger than last fall.

Slaughter supplies of sheep and lambs during the remainder of the grass lamb marketing season up to December 1, probably will be no larger and may be smaller than in the corresponding period last year. The market movement of early lambs from some of the native States and other areas has been delayed somewhat and a larger than usual number of early lambs may be marketed after July 1 this year. On the other hand, the late lamb crop may not be as large as last year.

Wool 1/

Prices of wool in the United States held about steady in June and the early part of July after rising moderately in May. Mixed lots of 3/8 and 1/4 blood fleece wools available for immediate shipment were sold in the first week of July for 29.5 to 31 cents a pound, grease basis, delivered to eastern markets, compared with 31 cents a month earlier and 27 cents a year earlier. Prices of most grades of wool at the opening of the July series of the London sales were higher than at the close of the May sales. The advance was greatest on crossbred wools.

Domestic supplies of raw wool continue to be smaller than a year earlier. The carry-over of wool into the 1939 season was much smaller than in 1938. Imports of wool thus far in 1939 have been larger than in the same months of 1938, but mill consumption of wool also has been considerably larger. Prospects are for a fairly high level of domestic mill consumption in the next few months, but perhaps not at so high a rate as in the first quarter of 1939.

The weekly rate of mill consumption of apparel wool in the United States in May was almost 30 percent higher than in April but was slightly below the first quarter of the year. Consumption on a scoured basis in the first 5 months

1/ For more detailed discussion see the July issue of the Wool Situation, copies of which may be obtained upon request from the Division of Economic Information, Bureau of Agricultural Economics, Washington, D. C.

of this year was 30 percent larger than in the same months last year but smaller than in the like period in 1935-37. Mill orders for fabrics for the fall season continue much larger than a year earlier.

The carry-over of wool into the 1939-40 season will be small in the Southern Hemisphere, but stocks are fairly large in importing countries. However, mill activity has increased in European countries in recent months. Australian wool production for the season beginning July 1, 1939 is expected to be about 980 million pounds, grease equivalent. This is an increase of 4 percent over the estimate for 1938-39 but is slightly smaller than the average production for the 5 preceding seasons. The estimated increase in production over last year is expected to be more than offset by the decrease in the carry-over, and available supplies for the 1939-40 season in Australia may be slightly smaller than for the season just closed. Australia produces about one-half of the wool clip of the Southern Hemisphere.

Supplies of hogs and hog products, specified periods

| Item | Unit | | | | Oct.-Sept. | | Oct.-May | | |
|-------------------------------|---------|-------|-------|-------|--------------------------|---------|----------|---------|---------|
| | | May | Apr. | May | Av. | | | | |
| | | 1938 | 1939 | 1939 | 1928-29 to 1932-33 | 1936-37 | 1937-38 | 1937-38 | 1938-39 |
| Hog slaughter under : | : | : | : | : | : | : | : | : | : |
| Federal inspection: | : | : | : | : | : | : | : | : | : |
| No. slaughtered <u>1/</u> | Thous. | 2,585 | 2,931 | 3,416 | 46,363 | 34,142 | 34,580 | 24,655 | 28,080 |
| Live weight: | : | : | : | : | : | : | : | : | : |
| Average | Pound | 235 | 232 | 236 | 231 | 221 | 234 | 229 | 230 |
| Total | Mil.lb. | 608 | 680 | 806 | 10,723 | 7,538 | 8,089 | 5,655 | 6,452 |
| Total dressed wt.: | " " | 459 | 513 | 605 | 8,069 | 5,586 | 6,046 | 4,241 | 4,838 |
| Yield of lard per: | : | : | : | : | : | : | : | : | : |
| 100 pounds live : | : | : | : | : | : | : | : | : | : |
| weight of hogs | Pound | 13.4 | 13.5 | 13.3 | 15.2 | 10.9 | 12.4 | 12.4 | 13.2 |
| Prod. of lard | Mil.lb. | 81 | 92 | 107 | 1,630 | 833 | 1,002 | 699 | 851 |
| Exports: <u>2/</u> | : | : | : | : | : | : | : | : | : |
| Pork | Mil.lb. | 9 | 8 | 12 | 211 | 59 | 89 | 58 | 74 |
| Lard | " " | 20 | 18 | 25 | 657 | 107 | 203 | 148 | 174 |
| Imports of pork <u>2/</u> | " " | 4 | 5 | 5 | 6 | 72 | 57 | 40 | 34 |
| Proportion of sows in | : | : | : | : | : | : | : | : | : |
| inspected slaughter <u>3/</u> | Pct. | 49.6 | 47.3 | 49.9 | 51.2 | 51.1 | 49.9 | 47.5 | 45.4 |

1/ Bureau of Animal Industry. 2/ United States Department of Commerce. Pork includes bacon, hams and shoulders, and fresh, canned, and pickled pork. Lard includes neutral lard. 3/ Includes gilts.

Prices of hogs and hog products, specified periods

| Item | Unit | | | | Oct.-Sept. | | Oct.-June | | |
|----------------------------------|---------|------|------|------|--------------------------|-----------|-----------|---------|---------|
| | | June | May | June | Av. | | | | |
| | | 1938 | 1939 | 1939 | 1928-29 to 1932-33 | 1936-37 | 1937-38 | 1937-38 | 1938-39 |
| Av. price, all pur- | : | : | : | : | : | : | : | : | : |
| chases: | Dol.per | : | : | : | : | : | : | : | : |
| Seven markets | 100 lb. | 8.40 | 6.48 | 6.08 | <u>1/</u> | 10.28 | 8.33 | 8.37 | 7.09 |
| Chicago | " " " | 8.52 | 6.67 | 6.34 | 6.99 | 10.49 | 8.47 | 8.55 | 7.24 |
| Av. price of barrows: | : | : | : | : | : | : | : | : | : |
| and gilts, Chicago | " " " | 8.84 | 6.82 | 6.63 | <u>1/</u> | <u>1/</u> | 8.76 | 8.67 | 7.34 |
| U.S. average price | : | : | : | : | : | : | : | : | : |
| received by farmers: | " " " | 8.00 | 6.39 | 5.96 | 6.48 | 9.66 | 8.07 | 8.04 | 6.85 |
| Av. price of No. 3 | Cts. | : | : | : | : | : | : | : | : |
| yellow corn, Chicago | per lb | 57 | 51 | 51 | 62 | 115 | 57 | 58 | 49 |
| Hog-corn price ratio <u>2/</u> : | : | : | : | : | : | : | : | : | : |
| Chicago | Bush. | 14.9 | 13.0 | 12.4 | 11.6 | 9.2 | 14.8 | 14.7 | 14.9 |
| No. Central States: | " | 17.5 | 15.2 | 13.5 | 12.9 | 9.4 | 17.6 | 17.4 | 17.3 |
| Proportion of packing | : | : | : | : | : | : | : | : | : |
| sows in total packer | : | : | : | : | : | : | : | : | : |
| and shipper purchas- | : | : | : | : | : | : | : | : | : |
| es, 7 markets <u>3/</u> | Pct. | 22.0 | 8.0 | 22.0 | <u>1/</u> | 15.0 | 13.0 | 8.0 | 8.0 |
| Av. weight at 7 rkts: | Pound | 265 | 248 | 259 | <u>1/</u> | 231 | 246 | 242 | 242 |

1/ Not available. 2/ Number of bushels of corn equivalent in value to 100 pounds of live hogs. 3/ Monthly figures computed from weekly averages.

**Slaughter and market supplies of cattle and calves,
specified periods**

| Item | Unit | Year | | Month | | | | | |
|--|---------|---------|-------|-------|------|------|-----|------|--|
| | | Average | 1938 | 1938 | | 1939 | | | |
| | | 1924-33 | | May | June | Apr. | May | June | |
| Slaughter under Federal ins- pection: | | | | | | | | | |
| • Number slaughtered: | Thou-- | | | | | | | | |
| Cattle 1/ | sands | 8,850 | 9,776 | 772 | 816 | 677 | 814 | 778 | |
| Calves 1/ | do. | 4,819 | 5,492 | 500 | 475 | 457 | 509 | 448 | |
| Cows and heifers | do. | 4,181 | 4,864 | 333 | 379 | 307 | 371 | | |
| Steers | do. | 4,340 | 4,516 | 404 | 394 | 341 | 402 | | |
| Average live weight: | | | | | | | | | |
| Cattle | Pound | 953 | 921 | 922 | 915 | 944 | 936 | | |
| Calves | do. | 176 | 189 | 173 | 183 | 167 | 180 | | |
| Total dressed weight: | | | | | | | | | |
| Cattle | Mil.lb. | 4,532 | 4,798 | 388 | 401 | 347 | 415 | | |
| Calves | do. | 487 | 581 | 50 | 49 | 43 | 51 | | |
| Inspected shipments: 1/ | Thou- | | | | | | | | |
| Feeder cattle and calves | sands | 2,894 | 2,704 | 126 | 151 | 163 | 173 | 150 | |
| Imports: | | | | | | | | | |
| Cattle 2/ | do. | 253 | 434 | 49 | 18 | 126 | 63 | | |
| Canned beef 3/ | Mil.lb. | 4/ 36 | 79 | 10 | 8 | 9 | 11 | | |

1/ Bureau of Animal Industry. 2/ United States Department of Commerce. General imports prior to 1934; beginning January 1, 1934, imports for consumption. 3/ United States Department of Commerce. Imports for consumption. 4/ Figures include "other canned meats" prior to 1929.

Price per 100 pounds of cattle and calves, June 1939, with comparisons

| Item | June | June | June | Apr. | May | June |
|---|----------|-------|-------|-------|-------|-------|
| | average: | June | June | 1939 | 1939 | 1939 |
| | 1924-33: | 1937 | 1938 | | | |
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Beef steers sold out of first: hands at Chicago: | | | | | | |
| Choice and Prime | 10.83 | 13.59 | 10.06 | 12.10 | 11.26 | 10.03 |
| Good | 10.10 | 11.96 | 9.15 | 10.33 | 9.92 | 9.29 |
| Medium | 9.23 | 10.25 | 8.27 | 9.09 | 8.38 | 8.54 |
| Common | 7.96 | 8.56 | 7.18 | 8.20 | 8.03 | 7.67 |
| All grades | 9.87 | 12.11 | 9.50 | 10.02 | 9.63 | 9.22 |
| Cows, Chicago: | | | | | | |
| Good | 1/ 7.07 | 8.14 | 7.12 | 7.60 | 7.51 | 7.15 |
| Low cutter and cutter | 2/ 4.19 | 4.38 | 4.79 | 5.22 | 5.25 | 5.19 |
| Vealers, Chicago: | | | | | | |
| Good and choice | 9.93 | 9.20 | 8.50 | 9.28 | 9.48 | 9.03 |
| Stocker and feeder steers, Kansas City: | | | | | | |
| Average price, all weights | 3/ 7.49 | 7.37 | 7.51 | 9.21 | 8.89 | 7.94 |
| Average price paid by packers: | | | | | | |
| All cattle | 8.01 | 8.26 | 7.32 | 8.05 | 7.93 | |
| Steers | 4/ 4/ | 4/ | 8.68 | 9.49 | 9.18 | |
| Calves | 8.78 | 8.02 | 7.58 | 8.53 | 8.52 | |

1/ Good and Choice 1924-27. 2/ Canner and Cutter, 1924-June 1926.

3/ Average 1925-33. 4/ Not available.

Supplies of sheep and lambs, specified periods

| Item | Unit | Year | | | | Month | | | |
|----------------------|---------|----------|--------|------------------|-------|-------|-------|-------|-------|
| | | Average: | | Average 1924-33: | | 1938 | | 1939 | |
| | | 1924- | 1938: | 1924- | 1938: | May | June | May | June |
| | | 33 | | 33 | | May | June | Apr. | May |
| Slaughter under | | | | | | | | | |
| Federal inspection: | | | | | | | | | |
| Sheep and lambs: | | | | | | | | | |
| Number slaugh- | Thou- | | | | | | | | |
| tered 1/..... | sands | 14,737 | 18,060 | 1,192 | 1,216 | 1,550 | 1,485 | 1,224 | 1,392 |
| Average live | | | | | | | | | |
| weight..... | Pound | .81 | 85 | 80 | 75 | 83 | 79 | 89 | 84 |
| Average dressed | | | | | | | | | |
| weight | ds. | 39 | 40 | 38 | 37 | 40 | 38 | 42 | 40 |
| Total dressed | | | | | | | | | |
| weight | Mil.lb. | 569 | 720 | 46 | 45 | 62 | 56 | 51 | 55 |
| Lambs and yearlings: | | | | | | | | | |
| Number slaughtered: | Thous. | 13,678 | 16,884 | 1,081 | 1,125 | 1,455 | 1,395 | 1,148 | 1,292 |
| Percentage of total | | | | | | | | | |
| sheep and lambs | Percent | 92.8 | 93.5 | 90.7 | 92.5 | 93.8 | 93.9 | 93.8 | 92.8 |

1/ Bureau of Animal Industry.

Prices per 100 pounds of sheep and lambs, by months,
April-June, 1937-39

| Item | 1937 | | | 1938 | | | 1939 | | |
|------------------------|-------|--------|---------|------|--------|--------|------|--------|--------|
| | Apr. | May | June | Apr. | May | June | Apr. | May | June |
| Slaughter lambs, | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Chicago: | | | | | | | | | |
| Good and choice 1/.. | 11.95 | 2/9.64 | 3/11.63 | 7.91 | 2/7.10 | 3/9.08 | 9.98 | 2/8.75 | 3/9.94 |
| Slaughter ewes, | | | | | | | | | |
| Chicago: | | | | | | | | | |
| Common and medium... | 4.17 | 2.93 | 2.30 | 3.41 | 2.69 | 2.59 | 4.30 | 3.00 | 2.14 |
| Feeding lambs, Omaha: | | | | | | | | | |
| Good and choice | 10.20 | — | 8.53 | 7.21 | — | 6.97 | — | — | — |
| Average price paid | | | | | | | | | |
| by packers: | | | | | | | | | |
| Sheep and lambs.... | 10.92 | 9.69 | 9.95 | 7.91 | 7.37 | 7.77 | 9.19 | 8.94 | |
| Average price received | | | | | | | | | |
| by farmers: | | | | | | | | | |
| Sheep..... | 4.98 | 4.89 | 4.52 | 3.90 | 3.59 | 3.43 | 4.19 | 3.94 | 3.67 |
| Lambs | 9.19 | 9.16 | 8.88 | 7.23 | 6.90 | 6.84 | 7.88 | 8.02 | 7.49 |

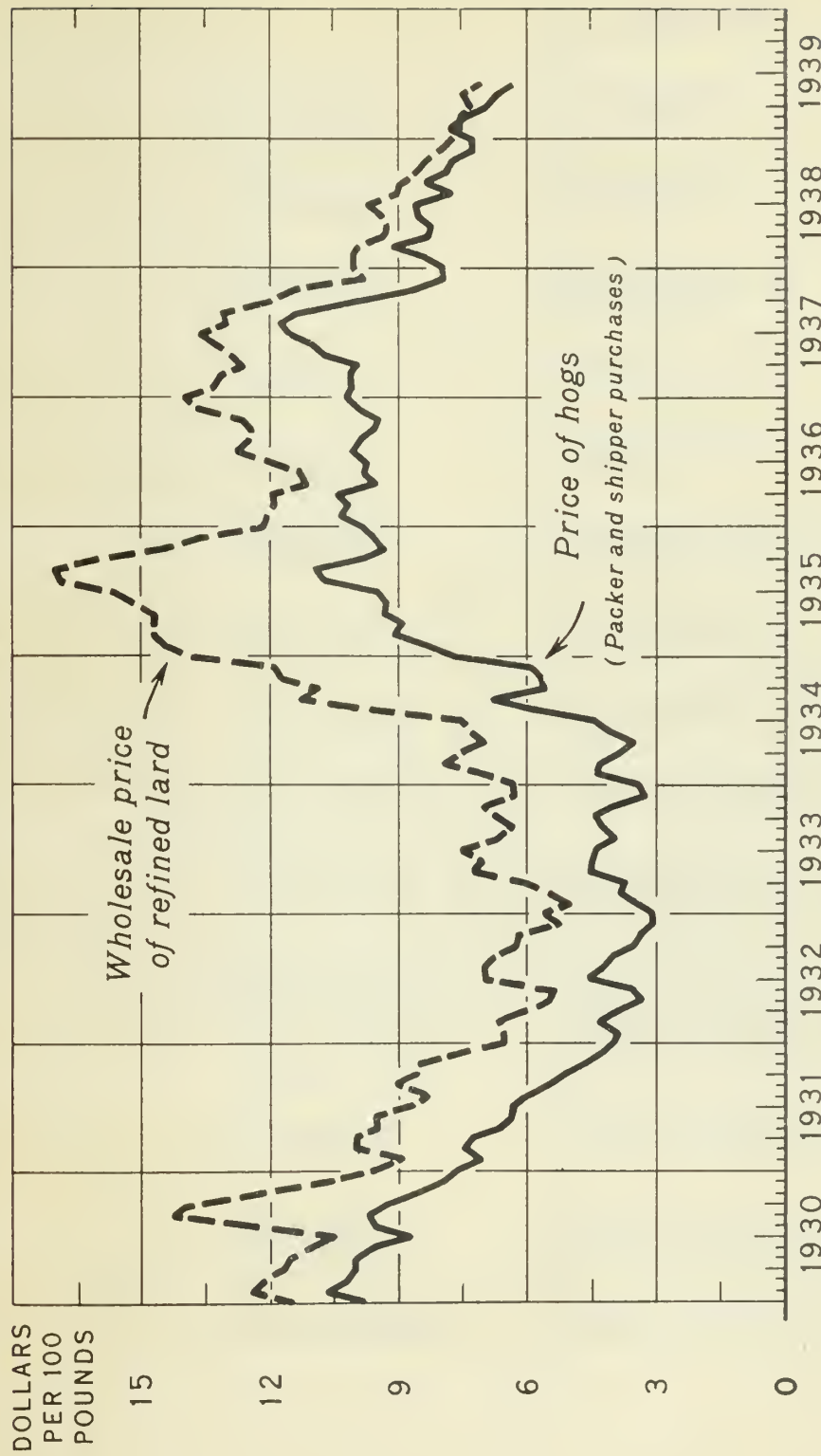
1/ Lots averaging within top half of Good grade. 2/ Shorn basis. 3/ Spring lambs.

Index numbers of national income, income of industrial workers,
and cash income from meat animals, specified periods

| Item | Calendar year: | | | | May | | | |
|------------------------------------|----------------|------|------|------|------|------|------|------|
| | 1937 | 1938 | 1938 | 1939 | 1938 | 1939 | 1939 | 1939 |
| National income paid out | | | | | | | | |
| (1929 = 100) 1/ | 83 | 82 | 82 | 83 | 80 | 83 | 82 | |
| Income of industrial workers | | | | | | | | |
| (1924-29 = 100) | 94 | 72 | 71 | 77 | 68 | 74 | 75 | |
| Cash farm income from meat animals | | | | | | | | |
| (1924-29 = 100) | 85 | 79 | 76 | 80 | 72 | 75 | 84 | |

1/ United States Department of Commerce.

PRICES OF HOGS AND LARD AT CHICAGO, 1930-39

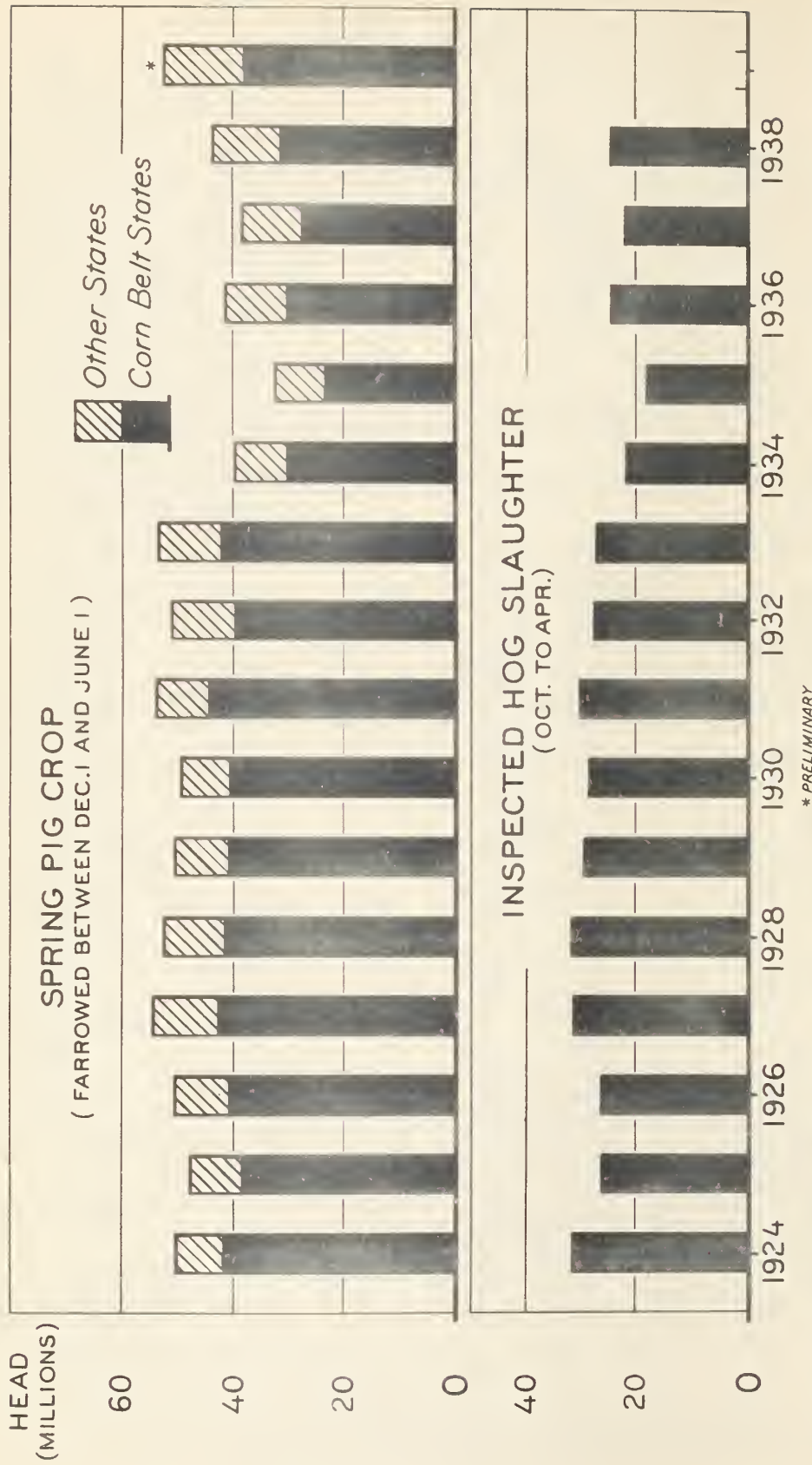


U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 1.— SINCE EARLY 1938, THE PRICE OF LARD HAS DECLINED MUCH MORE THAN THE PRICE OF HOGS. THUS FAR IN 1939 THE PRICE OF REFINED LARD HAS BEEN BUT LITTLE HIGHER THAN THE PRICE OF HOGS, WHEREAS IN THE 10 YEARS, 1928-37 IT AVERAGED ABOUT \$3 PER 100 POUNDS HIGHER. SINCE HOG PRICES ARE INFLUENCED CHIEFLY BY PRICES OF PORK AND LARD, IT IS APPARENT THAT PRICES OF PORK HAVE DECLINED MUCH LESS THAN PRICES OF LARD. THE PERCENTAGE INCREASE IN LARD PRODUCTION THIS YEAR OVER LAST HAS BEEN GREATER THAN THE PERCENTAGE INCREASE IN PORK PRODUCTION. LARD PRICES ALSO HAVE BEEN ADVERSELY AFFECTED BY RELATIVELY LARGE SUPPLIES OF OTHER FATS AND OILS.

SPRING PIG CROP, AND FEDERALLY INSPECTED HOG SLAUGHTER DURING FOLLOWING OCT.- APR., UNITED STATES, 1924 TO DATE



U. S. DEPARTMENT OF AGRICULTURE

NEG. 31411

BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 2.- THE 1939 SPRING PIG CROP WAS 20 PERCENT LARGER THAN THE SPRING CROP OF 1938. THE INCREASE IN THE SPRING PIG CROP THIS YEAR OVER LAST WILL BE REFLECTED IN A MARKED INCREASE IN SLAUGHTER SUPPLIES OF HOGS IN THE FIRST SEVEN MONTHS OF THE 1939-40 MARKETING YEAR, WHICH BEGINS OCTOBER 1.